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SUBJECT: SCENE-SETTER FOR IRISH PRIME MINISTER AHERN'S
VISIT TO THE WHITE HOUSE -- ST. PATRICK'S DAY, 2006

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¶1. (SBU) Recent intensive efforts by the Irish and British Governments to jump-start the stalled Northern Ireland peace process will frame this year's St. Patrick's Day visit to Washington by Irish Prime Minister (Taoiseach, TEE-SHUCK) Bertie Ahern. In mid-2005, the IRA's historic decision to abandon paramilitarism renewed island-wide hopes for movement toward a political settlement in the North. Since then, however, the peace process has slogged, with republicans reluctant to endorse joint policing, and unionists unwilling to accept power-sharing. Having marked 2006 as a make-or-break year for the restoration of devolved government in Northern Ireland, the Irish and British Governments are now consulting weekly with Sinn Fein, the Democratic Unionist Party, and other Northern parties. Prime Minister Ahern and British Prime Minister Tony Blair will confer shortly before St. Patrick's Day on next steps, and Ahern will likely press for continued White House support of this process.

The Domestic Political Background

¶2. (SBU) Ireland's spring 2007 general elections, in which Prime Minister Ahern will seek a third successive five-year term, also color the political backdrop to his Washington visit. The Taoiseach is pushing to restore devolved government in Northern Ireland in 2006 not only to claim a success in the election campaign, but also because the campaign will likely eclipse the peace process by year's end. The elections have already begun to shape a more cautious Government approach to domestic issues. To protect farm votes, for example, the Government has opposed any further EU concessions in the agricultural component of the WTO Doha negotiations. Rather than risk union disaffection, the Government has similarly delayed decisions on privatizing key state firms, such as Aer Lingus, the national airline. In terms of immediate U.S. interests, the Government nevertheless remains committed to facilitate U.S. military transits at Shannon and Dublin Airports, despite the electorate's opposition to U.S. efforts in the Gulf region and lingering public suspicions of Ireland's involvement in terrorist renditions.

Sustained Economic Success

¶3. (SBU) Prime Minister Ahern's governing party, Fianna Fail, remains the election favorite, having delivered Ireland's unprecedented economic success. Five percent economic growth in 2005 generated 96,000 new Irish jobs and yielded the EU's lowest unemployment rate at 4.2 percent. The foundation of Ireland's Celtic Tiger transformation has

been low corporate tax rates, industrial peace, pro-investment policies, fiscal responsibility, and effective use of EU support funds. These factors have led roughly 600 U.S. firms to establish subsidiaries in Ireland; the stock of U.S. investment in the country is, in fact, quadruple the U.S. total in China. With plentiful jobs, Ireland has also become a magnet for inward immigration, attracting over 100,000 new arrivals since the accession of ten new EU Member States in 2004. Economic success has made Ireland a role model for these new EU members and a more confident diplomatic go-between for the United States and the EU, as personified by the EU Ambassador to the United States, former Irish Prime Minister John Bruton.

Bilateral Agenda Items

¶4. (SBU) Based on information from GOI sources, the following are issues that the Taoiseach might raise in his White House discussions:

Immigration. The Irish Government has begun a lobbying campaign with Congress on behalf of Irish residing illegally in the United States, variously estimated at between 5,000 and 50,000. Prime Minister Ahern will likely ask the White House to support the Kennedy-McCain immigration bill, which would regularize the status of these illegals.

Shannon/Rendition. The Irish Government has rebuffed repeated calls from opposition parliamentarians and the public to investigate the alleged use of Shannon Airport for terrorist renditions. Government leaders have cited earlier U.S. assurances that no such practice involves Ireland, and Prime Minister Ahern would like to say after his White House discussions that those assurances stand.

The Middle East. Ireland has joined the international

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community in calling for Hamas to renounce violence and to recognize Israel's right to exist. Ireland also favors an EU approach that would give Hamas latitude to prove itself a responsible partner in the peace process, with some Irish commentators likening Hamas, challenge to that previously faced by Sinn Fein in moving from violence to politics in Northern Ireland.

Irish Peacekeeping. The Irish Defense Forces have roughly 760 troops serving in multilateral peacekeeping missions in Liberia, Kosovo, Bosnia, and Afghanistan, with one person now assigned to Darfur. The Irish will depart Liberia by late 2006, but are nearing decisions on a Congo mission and participation in the EU Battlegroups rapid reaction force.

¶5. (SBU) The following items might also merit mention in discussions with the Taoiseach:

Terrorism. In 2005, Ireland enacted legislation that improved police powers to track terrorist suspects and terrorism financing. Also last year, the Irish Government signed a new mutual legal assistance agreement with the United States that makes possible increased cooperation in the Global War on Terrorism.

Iraq. Ireland continues to permit U.S. military transits at Shannon and Dublin Airports (347,000 troops in 2005) in support of U.S. actions in the Gulf region, despite the unpopularity of U.S. military action in Iraq. Ireland has also disbursed half of a euro 3 million commitment to the EU's reconstruction efforts in Iraq.

Extradition. There have been no successful U.S. extradition requests in eleven years, and only five successes in the 34 extradition requests made since 1975. Irish police and justice officials sympathize with U.S. frustration, but are unable to influence Irish judges who consistently seek out

technicalities that thwart the extradition of U.S. suspects.

Doha. Although the services and industrial sectors now drive the Irish economy and would benefit greatly from a Doha deal, the Irish Government has staunchly opposed EU flexibility on agriculture, which WTO members see as essential to a deal. Ireland needs to recognize that continued EU intransigence on agriculture could wreck the Doha Round.

Aviation. In 2005, Irish visitors to the United States increased to over 500,000, a number that will likely grow with the hoped-for phase-in of Open Skies this fall under the U.S.-EU aviation agreement. Dublin and Shannon have the only airports in Europe where U.S. Customs and Border Protection (CBP) offer passport screening, and the Embassy is pressing the Irish Government to upgrade CBP facilities to enhance the security and commercial benefits of trans-Atlantic air service.

U.S.-Ireland R&D Partnership. In 2005, the Department of Health and Human Services, the National Institutes of Health, and the National Science Foundation launched a collaborative program with researchers in Northern Ireland and the South on cystic fibrosis, diabetes, avian flu/respiratory illness, and nanotechnology. The leaders of this trilateral initiative, including HHS Deputy Secretary Alex Azar, will meet in Washington on March 14 to discuss further avenues of cooperation.

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